

## [CHAPTER 480]

## AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

October 3, 1944

[S. 2051]

[Public Law 458]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

War Mobilization  
and Reconversion Act  
of 1944.

## TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

SECTION 101. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

Establishment of  
office.

Director.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

Agencies to be  
placed within office.

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

Office of Contract  
Settlement.

*Ante*, p. 649.

Surplus War Prop-  
erty Administration.

(2) Surplus War Property Administration, created by Executive Order Numbered 9425 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Surplus Property Board created by the Surplus Property Act of 1944.

9 F. R. 2071.

*Ante*, p. 768.

(3) Retraining and Reemployment Administration, created by Executive Order Numbered 9427 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration created by title III of this Act.

Retraining and Re-  
employment Admin-  
istration.

9 F. R. 2199, 2488.

*Post*, p. 788.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to the agencies placed within his office or with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

Powers of Director.

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

Plans for transition  
from war to peace.

(2) issue such orders and regulations to executive agencies as may be necessary to provide for the exercise of their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the orders and regulations of the Director expeditiously and, to the extent necessary to carry out such orders and regulations, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

Issuance of orders to  
executive agencies.

Recommendations  
to Congress.

Plans and proce-  
dures for executive  
agencies.

Settlement of con-  
troversies.

Studies and reports  
by executive agencies.

Study of present  
functions of agencies.

Cooperation with  
national and local  
groups.

Quarterly reports.

Personnel, supplies,  
etc.

42 Stat. 1488.  
5 U. S. C. § 661;  
Supp. III, § 661 *et seq.*

Delegation and re-  
delegation of powers  
and duties.

Advisory board.

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose only he is authorized to delegate to the appropriate agencies and provide for the redelegation of the powers and duties vested in him, except the power to issue orders and regulations to other executive agencies. The Director may require such reports and information from executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

SEC. 102. (a) There is hereby created an advisory board, which shall consist of twelve members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of

experience in the matters with which it will deal under this Act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged.

Qualifications of members.

Chairman.

Function.

Per diem allowance.

## TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

SEC. 201. The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

Restriction on retention of personnel in armed forces.

SEC. 202. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

Prime contracts for war production.

SEC. 203. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

Curtailments of war production.

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

Survey of requirements.

(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

Production for nonwar use.

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

Policies in selecting contracts.

Consultations.

(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

Small plant participation.

SEC. 204. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

Materials available for use by small plants.

(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

Conditioning factors in allocation.

(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large size plants.

"Small plant."

Surveys by Attorney General.

SEC. 205. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

Report to Congress.

### TITLE III—RETRAINING AND REEMPLOYMENT

Retraining and Reemployment Administration, establishment.

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter

Administrator.

in this title referred to as the "Administrator"), to be appointed by the President, by and with the advice and consent of the Senate, and to receive a salary at the rate of \$12,000 per annum. The same person may serve as Administrator and as Administrator of Veterans' Affairs, but in such case he shall receive only the salary provided by this section.

Dual service of Administrator of Veterans' Affairs.

SEC. 302. It shall be the function of the Administration—

Function of Administration.  
Supervision of activities.

(a) to have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provisions of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire; and

Regulations.

(b) to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.

Coordination with State and local agencies.

SEC. 303. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Administration. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.

Assistant Administrators and other personnel.

42 Stat. 1488.  
5 U. S. C. § 661;  
Supp. III, § 661 *et seq.*

#### TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account".

Unemployment Trust Fund.  
49 Stat. 640.  
42 U. S. C. § 1104 (a).

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account".

49 Stat. 641.  
42 U. S. C. § 1104 (e).

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

49 Stat. 640.  
42 U. S. C. § 1104.

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accord-

Transfers of funds.

*Infra.*

Federal unemployment account.

49 Stat. 639; 53 Stat. 183, 1396.  
 42 U. S. C. §§ 1101-1110; Supp. III, § 1101 et seq.; 26 U. S. C. §§ 1600-1611; Supp. III, §§ 1600, 1610, notes.  
*Ante*, p. 76.

*Infra.*

"Unemployment administrative expenditures."

49 Stat. 626.  
 42 U. S. C. §§ 501-508.

49 Stat. 639.  
 42 U. S. C. §§ 1101-1110; Supp. III, § 1101 et seq.

42 U. S. C. § 1103 note.

ance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

## "TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

Conditions for transfer of moneys.

"SEC. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the amount by which the unemployment compensation paid out by it in the calendar quarter ending on such day exceeded 2.7 per centum of the total remuneration which was paid during such quarter and was subject to the State unemployment compensation law.

Findings by Social Security Board.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the opera-

Certification of amounts for transfer.

Form of applications of State agencies.

tion and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

“(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State’s account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection.”

Transfer treated as advance.

Repayment.

TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as “public agencies”) to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

Loans to States and their agencies.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

Proportional allotment.

Aggregate.

Conformity of individual projects to plan.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

Repayment.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

Rules and regulations.

(e) As used in this section, the term “State” shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

“State.”

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this Act—

(a) The term “executive agency” means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

“Executive agency.”

"Contracting agency."

55 Stat. 339.  
50 U. S. C., Supp.  
III, app. § 611.  
15 U. S. C. § 601 *et seq.*; Supp. III, § 601 *et seq.*

Appropriations authorized.

Termination of Act

Saving clause.

*Ante*, p. 785.  
Termination of Office of War Mobilization.  
3 CFR, Cum. Supp. 1281.

Termination of Surplus War Property Administration.  
*Ante*, p. 768.  
9 F. R. 2071.

Termination of Retraining and Reemployment Administration.  
*Ante*, p. 788.  
9 F. R. 2199, 2488.

Prior orders, policies, etc.

Short title.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

SEC. 603. The provisions of this Act shall terminate on June 30, 1947.

SEC. 604. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 605. (a) When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, not including the Surplus War Property Administration or the Retraining and Reemployment Administration, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

(b) When a majority of the members of the Surplus Property Board first appointed under the Surplus Property Act of 1944 have taken office, the Surplus War Property Administration created by Executive Order Numbered 9425 shall cease to exist; and such records and office equipment of the Surplus War Property Administration, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Surplus Property Board.

(c) When the Retraining and Reemployment Administrator first appointed under section 301 has taken office, the Retraining and Reemployment Administration created by Executive Order Numbered 9427, shall cease to exist; and such records and property of the Administration created by such Executive order, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Retraining and Reemployment Administration established by this Act.

SEC. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.

SEC. 607. This Act may be cited as the "War Mobilization and Reconversion Act of 1944".

Approved October 3, 1944.

#### [CHAPTER 481]

#### AN ACT

To provide for the payment of attorneys' fees from Osage tribal funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That pursuant to the terms of a contract approved by the Assistant Secretary of the*

October 3, 1944  
[S. 1847]

[Public Law 459]

Osage Indians.  
Payment of attorneys' fees.